

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 1562

Washington, D. C.

November 12, 1955

## Wisconsin Canners Hear of Current N.C.A. Projects

Three current N.C.A. projects were featured on the program of the annual meeting of the Wisconsin Canners Association at Milwaukee, November 7 and 8.

President George B. Morrill, Jr., guest speaker on the November 7 session, described for the first time the N.C.A. Farm Youth Program, one of the items on the current Consumer and Trade Relations program. Pointing out the close relationship of the canning industry to agriculture, Mr. Morrill showed how intertwined is economic welfare of both the farmer and the canner, who performs the marketing function of converting perishable farm crops into nonperishable canned foods.

"The National Canners Association, therefore, has appropriately embarked on a Farm Youth Program which recognizes and highlights the canning industry's interest in raw product research and development," Mr. Morrill stated. "The N.C.A.'s Farm Youth Program aims to stimulate the interest of young people in agriculture in the production of canning crops. The program also aims at achieving better understanding and greater cooperation between canners and their growers—in the field of what we call 'canner-grower relations.'"

"N.C.A. felt that the best way to achieve this objective was to initiate a contest for young people, dealing with the production and marketing of fruit and vegetable crops for canning. Since it was not feasible for N.C.A. itself to administer such a contest, we asked the National Junior Vegetable Growers Association about the possibility of having that organization add such a contest to its list of projects.

"The National Junior Vegetable Growers Association is interested only in the field of horticulture, and it has splendid organizational facilities on national, state, and local levels. That association, therefore, is an excellent choice, I think, for carrying on this Farm Youth Program. I'm happy to report that N.J.V.G.A. has agreed to add the canning crops contest to

(Please turn to page 344)

## White Collar Exemption

Notice is given in the *Federal Register* of November 9 that the Wage and Hour Administrator will hold a public hearing to receive views on what changes should be made in regulations defining "executive, administrative, professional, or local retailing capacity" or "outside salesman" under Section 13(a)(1) of the Fair Labor Standards Act.

The hearing will be held at the Labor Department in Washington and is scheduled to begin December 12.

## Defense Department Unifies All Military Food Service

The Department of Defense announced November 7 that all military subsistence—encompassing the entire supply field from research and development through issue or disposal, including cataloging, standardization, requirements determination, procurement, production, inspection, storage, distribution, transportation and maintenance—have been placed under a "Single Manager Commodity Assignment" in the Department of the Army.

The Secretary of the Army will issue in the near future an implementing directive designating the agency within the Army that will administer the authority. It is expected that the Office of the Quartermaster General will receive this delegation of authority and it is understood that OQMG has been preparing to take over this enlarged assignment and has prepared a reorganization program which will establish within OQMG a subsistence organization.

This centralization of subsistence responsibility in the Army with operational authority in the Quartermaster General will have no immediate effect on government procurement policies applicable to the canning industry. The Market Center System will continue to be the principal contact with the industry and will continue to purchase canned foods for all military needs.

The new unified supply program is spelled out in a Department of De-

(Please turn to page 344)

## 1956 Outlook for Consumption and Prices of Processed Foods

Processed fruits and vegetables of all kinds—canned, frozen, and dried—are expected to total 7.86 million tons in 1955, according to latest estimates by the Agricultural Marketing Service of USDA.

If realized, this tonnage would be about 2½ percent larger than the 1954 production of these foods but about 1 percent smaller than the 1953 output. The tonnage estimated for 1955 also would be almost 19 percent greater than the average for 1947-49, which totaled 6.6 million tons.

The largest percentage increase in production over last year is expected for canned fruits—up 9 percent. Production of frozen fruits including fruit juices and of frozen vegetables is expected to be up 5 percent.

Moderate increases in production also are indicated for canned vegetables and canned baby foods. The only group of processed foods for which 1955 production is expected to decline is canned fruit juices.

With consumer incomes likely to average record high in 1956, the demand for food is expected to remain strong. Except for seasonal variations, USDA said, retail food prices over the next year are not expected to change significantly from current levels.

Plentiful supplies of all types of foods are in prospect, and consumption of food per person probably will not differ much from the 1955 rate, it was reported.

## RETAIL FOOD PRICES

Prospects for the remainder of 1955 and for 1956 point to a continuation of the present strong domestic demand for food. General economic activity and employment are likely to be high and consumer incomes are expected to increase further.

Some expansion in consumer expenditures for food is probable next year, and the increase is expected to reflect mainly heavier purchases of the more expensive highly processed commodities. Supplies of food in 1956 are expected to be about as large as

(Please turn to page 342)

## 1956 Outlook

(Concluded from page 341)

this year's record total. Retail food prices, however, probably will not average much different in 1956 than this year because marketing charges will be maintained at a high level.

In its report, entitled *The National Food Situation*, USDA also reported:

### FRUITS

Record supplies of canned fruits will be available during 1955-56. Plentiful supplies of canned fruit juices are in prospect through most of 1956.

Frozen fruits and berries will be in moderately larger supply through spring 1956 than a year earlier because of the slightly larger quantity carried over in stocks from last year's packs and the increased volume produced in 1955.

Supplies of frozen fruit juices may be relatively close to those of a year earlier. Carryover stocks of frozen fruit juices were somewhat smaller this year than last and the pack may be up a little from that in 1954-55. The size of the juice pack in 1955-56 will depend in large part on the volume of orange concentrate produced.

### VEGETABLES

Total supplies of processed vegetables through about mid-1956 probably will be close to those of a year earlier. The 1955 packs of both canned and frozen vegetables are expected to turn out a little larger than those in 1954, but carryover stocks were lower at the beginning of the present marketing year.

With supplies substantially the same but the civilian population larger, consumption of processed vegetables during 1955-56 may be a little below the rate of a year earlier. Retail prices of processed vegetables are expected to be at least equal to those of 1954-55. This would encourage larger packs in 1956.

### FISHERY PRODUCTS

Supplies of canned fishery products during the remainder of the 1955-56 marketing year—until about next July—will be lower than a year earlier because of smaller 1955 packs of important items. The output of canned salmon was the smallest in the past 30 years or more, and the pack of Maine sardines was down considerably. While the pack of tuna will be large in 1955, it will not equal the record volume of last year. Canned mackerel production probably will be slightly larger than in 1954.

Imports of major fishery products are expected to continue high. For

the next six months consumption of fresh and frozen fishery products is expected to total close to that in the same period of 1954-55, but per capita consumption of canned fish is expected to decline.

### PRODUCTION AND CONSUMPTION

The following table summarizes preliminary estimates of production and per capita consumption of various types of processed foods for 1954 and 1955, with percentage comparisons:

Commodity	Production			Consumption		
	1954	1955 Prelim.	1955 as a Percent- age of 1954	1954	1955 Prelim.	1955 as a Percent- age of 1954
	(millions of pounds)			(pounds per capita)		
Vegetables:						
Canned.....	6,600	6,700	101	40.9	40.9	100
Frozen.....	975	1,030	105	5.9	5.8	98
Fruits and Juices:						
Canned fruit.....	2,949	3,200	109	19.2	20.2	105
Canned juices.....	2,050	1,900	93	13.4	13.2	99
Frozen (including juice).....	1,280	1,350	105	7.3	7.8	107
Dried.....	805	850	106	4.2	4.2	100
Canned baby foods.....	683	700	102	(a)	(a)	(a)

(a) No estimate reported.

## USDA Foresees Good Demand for Canned Fruit in 1956

The domestic demand for fruit next year is expected to be as strong as in 1955 with present high consumer incomes expected to increase further, and prospects for fruit exports seem better than in the past year, according to *The Fruit Situation* report just issued by the Agricultural Marketing Service of USDA.

Improved standards of living and business conditions in Western Germany and Denmark and additional United Kingdom authorizations for exports from the United States are factors which indicate greater market opportunities in Europe for U. S. fruit exports in 1956.

### CANNED FRUITS

The 1956 pack of canned fruits probably will be somewhat smaller than the large 1955 pack, according to USDA. Decreases seem likely in the packs of apricots, cherries and plums, and there may be reductions in other fruits of which the 1955 packs are unusually large, the report says. The total pack of canned fruit in 1956 will depend upon supplies of raw fruit available for canning as well as the size of carryover stocks and the prospects for sales.

Current indications are the 1955 pack of canned fruits will be somewhat larger than that for the previous season. Apricots, sweet cherries and sour cherries are up 112, 44, and 53 percent, respectively. The season's peach pack is up considerably, due to a larger clingstone crop in California, but packs of pears, apples, and apple sauce are expected to be slightly smaller.

With a 16 percent larger pack of canned citrus sections and salad in Florida this year, packers' holdings on October 1 were about 758,000 cases, 83 percent above a year ago. Total canners' stocks of 10 major canned fruits on June 1, 1955, were 6 percent larger than a year ago. The total supplies for the 1955-56 season are expected to be moderately larger than those for the previous year. Part of these increased supplies are expected to find outlets in the Southeastern states, where unfavorable weather reduced local supplies. However, with some increases in per capita consumption over the 1954-55 rate, there may be a still heavier carryover of canned fruits next summer, according to USDA.

### CANNED FRUIT JUICES

The total 1956 pack of canned fruit juices is expected to be no larger than that for this year, but there may be some increase in the pack of canned grapefruit juice in the season just starting, USDA said. There also may be some increase in orange and grapefruit blend, the report pointed out. Little change is expected in the new pack of canned orange juice.

The 1954-55 Florida pack of canned single-strength orange juice was 18 percent below the pack of a year ago. The production of each type of canned citrus juice was down from a year ago. The October 1 stocks of canned single-strength orange juice held by Florida packers were about 66 percent smaller than a year ago.

Total production of canned fruit juices in 1954-55 was approximately 1.9 billion pounds, 7 percent under 1953-54, equivalent to 64 million cases 24/2's. Most of the 1954-55 pack of canned fruit juices was Florida citrus juice.

## 1955-56 OUTLOOK

**Apples**—The 1956 crop is expected to be about the same as 1955. The demand for apples for processing may be greater in 1956, especially in the Appalachian area where supplies may be larger for the coming season. Consumption of canned apples and applesauce in 1955-56 is expected to continue at the increased rates of the past year. The 1955-56 pack of canned apples and applesauce is expected to be somewhat smaller than the large 1954-55 pack. The carryover stocks in the summer of 1956 should be much lower than the large carryover this year, according to USDA.

**Citrus**—Production of oranges and grapefruit is expected to continue the trend upward over the next few years, USDA said. Recently planted grapefruit groves in Texas and Florida are expected to account for a large proportion of the increase while much of the orange crop will come from the new trees planted during the past five years in Florida. The 1955 grapefruit crop (excluding the California summer crop) was estimated on October 1 at 44.1 million boxes, 7 percent under the 10-year average but 8 percent larger than last year's crop. Most of this increase is in Florida, where the crop of 38 million boxes is 9 percent larger than last season and 21 percent above average. The Arizona crop of 3 million boxes is up 21 percent, but the Texas crop of 2.2 million boxes is down 12 percent due to the cold weather which thinned the bloom. Early and mid-season oranges (excluding tangerines) so far this season are estimated at 67.6 million boxes, 26 percent above the 10-year average. The Florida crop of 52 million boxes is the same as last year and the Florida tangerine crop of 4.6 million boxes is 10 percent less than the year before. Early season indications for 1956 Florida Valencias point to a crop of about 39 million boxes, 7 percent above this year.

**Cranberries**—The 1956 crop of cranberries probably will be about equal to the 1955 crop and considerably larger than the 10-year average because of the upward trend in production. The 1955 crop of 1,068,900 100 pound-barrels was the second largest on record, 5 percent above the previous year, and 27 percent above the 10-year average. Season-opening prices for Massachusetts cranberries were \$3.75 per carton of 24 1-pound boxes, 50 cents under the price of the previous year. The 1955 pack of canned cranberries was nearly 3 million cases (basis 24/2½'s) or 57 percent of the total crop.

**Sweet Cherries**—The 1956 crop of sweet cherries is predicted smaller than the 1955 crop, average weather prevailing, with most of the reduction in the Pacific Coast states and New York, areas where this year's crop was slightly larger than in previous years.

**RSP Cherries**—The 1956 outlook for this crop is not expected to be much different from 1955, when the crop of red sour cherries was 40 percent larger than the previous year and the average price per ton (\$125) was 40 percent lower. The 1955 pack of canned sour cherries was 53 percent larger than the 1954 pack. The pack of 111 million pounds of frozen sour cherries was 28 percent above a year ago and stocks of frozen cherries on October 1 were 19 percent above a year earlier.

**Peaches**—If favorable weather prevails next year, the 1956 peach crop is expected to be much larger than in 1955, with increases expected in Southern, South Central and mid-Atlantic areas, where spring freezes severely cut production in 1955. Grower prices may be lower than the relatively high prices for the 1955 crop. The 1955 peach crop was about 50.5 million bushels, 18 percent under 1954. However, Washington and California had much larger crops than the year before, with California producing 67 percent of the U. S. total peach crop.

**Pears**—Demand for pears this year is strong and expected to continue so in 1956, although the 1955 pack of canned pears is somewhat smaller than the record 1954 pack of about 7.8 million cases (basis 24/2½'s). Stocks of canned pears held by packers on June 1, 1955, were about 80 percent larger than a year earlier.

## Average Prices for Peaches

Following are preliminary season average prices per ton received by growers for peaches for processing (except dried) during 1955, as reported by the Agricultural Marketing Service of USDA:

State	1954	1955
	(dollars per ton)	
Pennsylvania.....	60.50	62.50
Virginia.....	66.50	75.00
South Carolina.....	61.40	(a)
Georgia.....	57.70	(a)
Michigan.....	55.60	76.00
Washington.....	64.40	60.00
Oregon.....	(a)	(a)
California:		
Clingstone.....	54.60	80.00
Freestone.....	48.80	59.80
All.....	53.50	76.90
Average, freestone, 9 states.....	53.10	61.70

(a) Negligible quantities.

## Marketing Charges in 1955-56

Charges for processing and distributing farm produced food products reached a new high in the third quarter of this year, 3 percent higher than a year earlier, according to the Agricultural Marketing Service of USDA.

In its outlook issue of *The Marketing and Transportation Situation*, the USDA estimates that processing and distribution charges will continue at the same high level in 1956, and that the farmer's share of the retail cost of food will continue to be about 40 cents.

The total marketing margin for the farm foods in the "market basket" was at an annual rate of \$573 during the third quarter of last year and is reported at \$590 during the same period this year. The farm value of the same food items decreased 7 percent, from \$422 to \$393.

Despite the 7 percent decrease in farm prices, USDA said, less than half of this decline was passed on to consumers. The retail cost of the foods in the "market basket" declined 1 percent, from \$995 to \$983.

"The bill for marketing domestic farm food products bought by civilian consumers in the United States has increased substantially in recent years," the report states. "This has resulted from rising costs of performing marketing services, an expansion in the volume of products marketed, and an increase in marketing services per unit of product. The marketing bill in 1955 is estimated at \$28 billion, 44 percent more than the 1947-49 average."

Marketing margins for all groups of products in the "market basket" were wider in the third quarter of this year than a year earlier, USDA said. Most of the increase in the total margin was accounted for by meat products, bakery and cereal products, and fruits and vegetables. The increase in the marketing margin for processed fruits and vegetables from the third quarter of last year to the same period this year was reported at less than half of 1 percent.

## Poultry Used in Processing

Poultry used in canning and in other processed foods during the first nine months of 1955 totaled 127,838,000 pounds ready-to-cook weight, compared with 129,528,000 pounds used during the same period of 1954, according to a report by the Agricultural Marketing Service of USDA.



### Morrill on Radio Broadcast

George B. Morrill, Jr., President of N.C.A., and Arthur H. Noble, president of the Indiana Canners Association, will be principals in a joint interview on the radio program "Your Home" conducted by Phyllis Knight, director of the home department of station WHAS, Louisville, Ky.

Background information for use in the interview has been furnished by the N.C.A. Information Division and by Warren R. Spangle, secretary of the Indiana association. The interview will be broadcast at 9:15 a.m. Thursday, November 17, and at noon that day Mr. Morrill will address the Indiana Canners Association's annual meeting in French Lick. Station WHAS is a 50,000 watt clear channel covering all of Kentucky and part of southern Indiana.

### Wisconsin Canners Meeting

(Concluded from page 341)

its program, and that this project is being supported by N.C.A."

Mr. Morrill went on to point out in what manner the Wisconsin Canners Association and individual canners can participate in the program.

### NUCLEAR TEST RESULTS

Following his remarks on the Farm Youth Program, President Morrill presented the series of color slides depicting the results of exposures of canned foods to the nuclear blast in Nevada last spring. He was able to add some comments on the recent report of the Wisconsin Alumni Research Foundation which has tested the retention of nutrients in the exposed canned foods. The Foundation examined canned food samples that had been exposed within a half mile from the shot tower. "From the results of tests made so far," Mr. Morrill declared, "it is evident that canned foods that survive an atomic blast would still be wholesome and nutritious foods and would still be safe to eat."

The Foundation has reported, Mr. Morrill stated, that two of the most important nutrients, niacin and riboflavin, were completely unaffected in many of the canned food products tested, and sustained only very minor losses in others. There was no loss of carotene in the canned vegetables and canned fruits tested. Nearly all of the products retained more than 80 percent of their thiamine and better than 90 percent of their ascorbic acid, the Foundation reports.

"The vitamin content of all the products tested was still well within the range ordinarily found in commercial production," Mr. Morrill declared, "and comparing it with the recommended daily allowances for each of the vitamins showed that canned foods normally considered good sources for one or more of these vitamins could still be regarded as good sources after atomic exposure."

The Information Division prepared and issued newspaper and radio-TV releases covering highlights of Mr. Morrill's remarks to 111 Wisconsin newspapers, 81 radio-TV news directors in Wisconsin, the canning trade journals, and state and national wire services.

### C.&T.R. DISCUSSION

At the November 8 morning session a newsreel film dealing with the C.&T.R. Retail Cost-of-Handling Study was presented. This was followed by a discussion of how the individual canner can make use of such findings to help move his own products, led by Norman Sorensen, a Wisconsin member of the C.&T.R. Committee. Two other Wisconsin canners who have been active in C.&T.R. work—Joseph B. Weix and John P. Kraemer—reported on various methods by which they have made use of the program.

### Iowa-Nebraska Canners Assn.

The Iowa-Nebraska Canners Association elected the following officers recently at the association's annual convention:

President—Fred T. Wright, Beaver Valley Canning Co., Grimes, Iowa; vice president—Alfred Rieck, Tripoli Canning Co., Inc., Tripoli, Iowa; secretary-treasurer—Guy E. Pollock, Marshalltown, Iowa (reelected).

### Military Food Service

(Concluded from page 341)

fense directive dated November 4, 1955. The directive provides for a subsistence advisory group composed of a committee representing each of the military services and the Single Manager of the Department of the Army to coordinate operating problems.

In a press statement accompanying the issuance of the directive, the Department of Defense stated that the system had been "developed over the past year in the Office of the Secretary of Defense, is called the Single Manager Commodity Assignment, and places all supply responsibilities for a given commodity under a single military department which will supply the needs of all services."

### USDA Yearbook on Water

The U. S. Department of Agriculture has published its 1955 yearbook, a 752-page volume entitled *Water*.

Its 95 chapters were written by 149 specialists in USDA, state agricultural colleges and divisions, and private and federal organizations whose work pertains to water.

Among the subjects treated are the need for water of people, animals, and plants; water and erosion; the care of watersheds; irrigation; use of waste water by industries, pure water for rural homes; sewage disposal; and research.

The USDA Yearbook is a Congressional document prepared in USDA and copies are distributed mainly by members of Congress. It also is sold by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at \$2.00 a copy.

## TABLE OF CONTENTS

	PAGE		PAGE
<b>Labor</b>		<b>Publication</b>	
White collar exemption.....	341	USDA yearbook on water.....	344
<b>Meeting</b>		<b>Statistics</b>	
Wisconsin canners hear of current N.C.A. projects.....	341	1956 outlook for consumption and prices of processed foods....	341
<b>Personnel</b>		USDA foresees good demand for canned fruit in 1956.....	342
Iowa-Nebraska Canners Assn. ...	344	Average prices for peaches....	343
Morrill on radio broadcast.....	344	Marketing charges in 1955-56 ..	343
<b>Procurement</b>		Poultry used in processing.....	343
Defense Department unifies all military food service.....	341		